



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 8/20/12

CONTROL NO:

ITEM NO:

SUBJECT: RESOLUTION NO. OB 12-05

A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND TAKING CERTAIN RELATED ACTIONS

FROM: SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

It is recommended that the Oversight Board approve Oversight Board Resolution No. 12-05 approving Administrative Budget No. 3.

BACKGROUND

Pursuant to AB X1 26 and AB 1484, the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

AB X1 26 and AB 1484 are unclear regarding the required timing for the submission of the proposed administrative budget for the period from January 1, 2013 through June 30, 2013 (*i.e.*, the second half of fiscal year 2012-13) ("Administrative Budget No. 3) to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget No. 3 and the ROPS for the same period ("ROPS No. 3") should be consistent.

Administrative Budget No. 3

August 20, 2012

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The Successor Agency is required to submit the ROPS No. 3 to the Oversight Board for approval and then submit the Oversight Board-approved ROPS No. 3 to the State Department of Finance, State Controller and the County Auditor-Controller no later than September 1, 2012. Staff has prepared a ROPS No. 3 for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget No. 3 on the same date as the Board's approval of ROPS No. 3.

The Oversight Board must take action by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

Errors and Omission insurance was acquired for the Oversight Board at the Board's request. That insurance covers the period July – September 2013. The cost to renew that insurance will be provided in the administrative budget number 4 (July – December 2013).

FISCAL IMPACT: Under AB X1 26 and AB 1484, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance to be received by the Successor Agency on January 2, 2013 for the second half of fiscal year 2012-13 will take into account the amount of Administrative Cost Allowance the Successor Agency received on June 1, 2012. In addition, the Administrative cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

ENVIRONMENTAL IMPACT: There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION: Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 12-05, approving a proposed administrative budget for the six-month fiscal period from January 1, 2013 through June 30, 2013, and taking certain other related actions.

Attachments:

Resolution No. OB 12-05

RESOLUTION NO. OB 12-05

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the oversight board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("Administrative Budget No. 3").

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative Budget No. 3 substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Oversight Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 20th day of August, 2012.

AYES:

NOES:

ABSENT:

ABSTAIN:

WILLIAM A. HOLT, CHAIRMAN

ATTEST:

GLORIA CONSIDINE, SECRETARY

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET
(January 1, 2013 through June 30, 2013)**

PROPOSED ADMINISTRATIVE BUDGET
Per AB 26 - Section 34177 (j)*

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source***	Payable from Successor Agency Funds Administrative Allowance****1						
							6 month estimated amounts for January - June 2013					Jan-Jun	Total
1)	Salaries/benefits	Employees of City/Agency	Payroll for admin./oper. of agency	65,377.00	130,753.00	RPTTF/AA						65,377.00	\$ 65,377.00
2)	Rent	City of Artesia	Overhead, utilities, supplies, insurance,...	165,000.00	82,500.00	RPTTF/AA						82,500.00	\$ 82,500.00
3)	Legal services	Richards, Watson,....	Legal fees for agency	60,000.00	30,000.00	RPTTF/AA						30,000.00	\$ 30,000.00
4)	Contract services	Kelly Associates Mgmt Grp	Professional project/housing services	60,000.00	30,000.00	RPTTF/AA						30,000.00	\$ 30,000.00
5)	Lobbyist	Cline & Duplissea	Lobbyist services	24,000.00	12,000.00	RPTTF/AA						12,000.00	\$ 12,000.00
6)	Business resources	Artesia Chamber of Comm	Business Resource Assistance	3,000.00	1,500.00	RPTTF/AA						1,500.00	\$ 1,500.00
7)	Accounting services	Deb's Bookkeepplus	Specialized accounting/reporting	3,752.00	3,000.00	RPTTF/AA						3,000.00	\$ 3,000.00
8)	Auditors	White Nelson Diehl Evans	CPAs for financial audit of agency	3,890.00	3,890.00	RPTTF/AA						3,890.00	\$ 3,890.00
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*Requires approval of Oversight Board
**All total due during fiscal year and payment amounts are projected
***Funding sources from the successor agency RPTTF/AA - Redevelopment Property Tax Trust Fund/Administrative Allowance
****Administrative Cost Allowance
1 - Administrative and operations services are proposed to be provided by the City pursuant to a cooperative agreement with the Successor Agency